

## Message Text

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E.O. 11652: N/A

TAGS: BEXP, VE

SUBJECT: FY 1976 CCP: FOURTH QUARTER REVIEW

1. QUARTERLY REVIEW: CONSTRU-QUIPOS 76 (REPLACING AGRIQUIPOS) DOMINATED 4TH QUARTER. SHOW RESULTS - \$9 MILLION IN OFF THE FLOOR SALES, \$50 MILLION PROJECTED SALES AND 32 AGENTS/DIS-TRIBUTORS SIGNED OR NEGOTIATING AT SHOWS AND SURPASSED ALL PREDICTIONS. RESULTS ESPECIALLY GRATIFYING GIVEN SHOW'S SHORT 12 WEEK TURN AROUND TIME FROM JIDDA. EMBASSY-SPONSORED EXPORTERS SEMINAR GAINED FAVORABLE COVERAGE, HIGHLIGHTING U.S. INTEREST IN PROMOTION OF TWO-WAY TRADE AS WELL AS INTRODUCING IMPORTANT VENEZUELAN MANUFACTURERS IN ALL FIELDS TO COMMERCIAL LIBRARY FACILITIES. FAA AVIATION SEMINAR DURING THIS QUARTER WAS VERY WELL RECEIVED, AND POSITIVE BENEFITS FROM THIS EVENT ARE EXPECTED TO CARRY OVER INTO CCP77 AVIATION CAMPAIGN. VISIT OF STATE-COMMERCE TEAM DURING THIS QUARTER PRODUCED REVISED AND EXPANDED CCP FOR 1977.

2. CAMPAIGN 1. AGRICULTURAL MACHINERY AND EQUIPMENT. AS ISSUE OF GOV PRICE CONTROLS ON AGRICULTURAL TRACTORS CONTINUES TO INHIBIT DEALER PROMOTION OF ALMOST ALL AGRICULTURAL MACHINERY, POST CONSIDERS IT INOPPORTUNE TO RECOMMEND TRADE PROMOTION VEHICLES AT THIS TIME. WHEN GOV/DEALER CONFLICT IS RESOLVED, POST WOULD SUPPORT REACTIVATION OF AGRIQUIPOS SHOW ORIGINALLY SCHEDULED FOR MAY, 1976.

3. CAMPAIGN 2. STEEL MILL AND METALWORKING EQUIPMENT. ALL TARGETS MET EXCEPT 3.11 (CERP UPDATE). CERP REPORT TO BE UNCLASSIFIED

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COMPLETED DURING FIFTH QUARTER. REPORTS FROM ZULIA INDICATE

THAT CORPOZULIA MAY FOCUS FIRST ON DEVELOPMENT OF REGION'S COAL DEPOSITS. ZULIA'S REQUESTS FOR COAL TECHNOLOGY ARE NOW BEING COORDINATED WITH POST REIMBURSABLE TECHNOLOGY PROGRAM WITH SPINOFFS EXPECTED IN STEEL PROGRAM. AT THE END OF JUNE, FOLLOWING SEVERAL MONTHS OF NEGOTIATIONS, U.S. FIRM PULLMAN-SWINDELL SIGNED CONTRACT WITH SIDOR TO CONSTRUCT PLANT TO PRODUCE 1.92 MILLION METRIC TONS OF IRON ORE PELLETS ANNUALLY BY 1978.

4. CAMPAIGN 3. BIOMEDICAL EQUIPMENT. ALL TARGETS MET EXCEPT ITEM 3.7. RELEVANCE OF THIS SUPPORT REDUCED WITH CANCELLATION OF BIOMEDICAL CAMPAIGN FOR FY 77 AND 78. DURING FOURTH QUARTER SIX NM U.S. FIRMS WERE ASSISTED IN SEARCH FOR AGENT/DISTRIBUTOR WITH KNOWN SUCCESS IN THREE CASES AND NO REPORT AS YET AVAILABLE ON DECISIONS OF REMAINING THREE FIRMS.

5. CAMPAIGN 4. PETROCHEMICAL DEVELOPMENT. ITEMS 4.6 AND 7 POSTPONED AND STILL AWAITING RELEASE OF NATIONAL PETROCHEMICAL DEVELOPMENT PLAN, WHICH WILL HOPEFULLY BE AVAILABLE EARLY IN FIFTH QUARTER. THE PLAN, PRODUCT OF A MINISTERIAL LEVEL REVIEW OF THE ENTIRE INDUSTRY, IS EXPECTED TO PROVIDE A BLUEPRINT FOR DEVELOPMENT OF THE PETROCHEMICAL INDUSTRY.

6. CAMPAIGN 5. VIST USA. ITEM 5.11. COMMITTEE MEETING WITH U.S. REPRESENTATIVE HELD THIRD QUARTER. ITEM 5.12. WHILE COMMITTEE MEMBERS PROFESS INTEREST IN PROFESSIONAL STUDY TOUR IDEA, NO INDIVIDUAL TRAVEL AGENT IS WILLING TO INITIATE AND PROMOTE SUCH A TOUR. ITEM 5.10. POST CONTINUES TO PROMOTE THIS AND OTHER PROFESSIONAL AND TOURIST EVENTS IN THE U.S. WITH NO FEEDBACK ON ACTUAL NUMBER OF VISITORS TO ANY GIVEN EVENT.

7. CAMPAIGN 6. ENERGY SYSTEMS. ALL TARGETS MET. DURING THIS QUARTER, THREE U.S. FIRMS - DRAVO CORPORATION, MORRISON KNUDSON INTERNATIONAL CO., INC. AND GUY F. ATKINSON WERE AMONG FIVE INTERNATIONAL CONSORTIA PREQUALIFIED BY EDELCA TO BID ON \$1 BILLION CIVIL WORKS PORTION OF RAUL LEONI (GURI) DAM EXPANSION. BIDS ARE TO BE PRESENTED OCTOBER 14, 1976.

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8. CAMPAIGN 7. SHIPBUILDING. ALL TARGETS MET EXCEPT ITEM 7.10, WHICH HAS BEEN CANCELLED. CORPORATION VENEZOLANA DE LA INDUSTRIA NAVAL C.A. (COVINCA) NOW IN PROCESS OF SELECTING SIX INTERNATIONAL FIRMS FOR PREQUALIFICATION BEFORE BEGINNING FINAL NEGOTIATIONS TO SELECT GOV'S PARTNER IN JOINT VENTURE TO BUILD TWO MAJOR SHIPYARDS. IN THIS PROJECT GOV WILL CONTRIBUTE BS 440 MILLION AND

HOLD 51 PERCENT OF TOTAL EQUITY.

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